

**Frequently Asked Questions (FAQs)**  
**COVID-19's Effect on the Third Quarter of 2020 Quarterly Services Report**

**Data Collection**

**How has the collection of Quarterly Services Survey data been affected?**

For the third quarter of 2020 Quarterly Services Report, processing and data quality were monitored throughout the quarter. Quality metrics, such as response rate standards for publication, were continuously monitored and evaluated throughout the data collection period for the published industries.

**Did the Census Bureau change its data collection procedures for the Quarterly Services Survey this quarter?**

Yes. The Census Bureau utilizes a wide variety of collection methods for its surveys. Although data collection has mainly returned to normal, the survey is sending fewer physical forms by leveraging email outreach and we will continue to do this in the future. We had enabled companies to report first quarter 2020 data online along with second quarter data to accommodate those that did not initially report first quarter information. There was no capability to report second quarter 2020 data with third quarter 2020 submissions.

**Methodology**

**Were there any estimates withheld or delayed because of data collection problems?**

Third quarter estimates were released as scheduled. As part of the Census Bureau's methodological process, some estimates may be suppressed if they do not meet pre-existing publication standards.

**Did the Census Bureau modify its usual weighting or estimation methods used to produce third quarter services estimates?**

No. Standard weighting and estimation methods were used to produce all indicator estimates for the third quarter of 2020.

**Did the Census Bureau do anything different in the third quarter of 2020 processing with data collected from fiscal reporters?**

No. Data received from fiscal reporters was evaluated in a similar manner as is done in each quarter's processing. Since not all companies maintain their quarterly records on a calendar quarter, the Census Bureau accepts, evaluates, and uses the fiscal quarter data as part of the QSS collection unless it determines that the reported data are not representative of the calendar quarter.

**How did the Census Bureau treat companies that reported zero or negative revenue for the third quarter?**

The Census Bureau did not change its treatment of zero or negative revenue reporting for this quarter. The Quarterly Services Survey collects gross revenue. If a company's gross revenue is zero or negative, the Census Bureau accepts, evaluates, and uses the reported data, unless it determines that the reported data is not generally reflective of companies represented by that sampling unit.

**Has the reliability of the quarterly services estimates changed?**

No. The reliability of the services estimates, as measured by the coefficient of variation for quarterly totals and the standard error for quarter-to-quarter change, has not changed substantially.

**Seasonal Adjustment**

**Did the Census Bureau alter the procedures for developing the seasonally adjusted estimates for selected services data?**

Yes. An alteration was made in an option in the Census Bureau's X-13ARIMA-SEATS seasonal adjustment software (the "additive outlier adjustment" option) for the third quarter of 2020 for some kinds of business. This was done in an effort to ensure that the published seasonally adjusted values fully include any immediate effects. These effects are not typical third quarter effects and so should not be permitted to influence the seasonal factors for the third quarter and surrounding quarters. The altered option was applied to each kind of business whose third quarter unadjusted value was found to be statistically untypical, as indicated by the appropriate t-statistic having a magnitude larger than a commonly used "critical value," and for which there were independent indications of an impact. Such indications confirm that the third quarter survey value has an unusual potential to be untypical and justify the use of a standard critical value. In a usual quarter, every survey value is "blindly" tested, therefore a higher critical value is used, making it more difficult for the survey value to be classified as untypical.

**What was the impact of altering the seasonal adjustment option (additive outlier adjustment) for the third quarter of 2020?**

For the kinds of business that were impacted, if the third quarter value had been treated as typical, the program would have taken part of the impact to be a seasonal effect and would have adjusted the data in a way that would have brought the adjusted percent change from the second quarter of 2020 to the third quarter of 2020 closer to zero. The altered option we used determined the impact to these kinds of business to be out of the ordinary. As a result, the second quarter 2020 to third quarter 2020 percent change in the adjusted values was left further from zero.

### **How was the survey value for the kind of business determined to be out of the ordinary?**

Each quarter, independent indications of how each kind of business performed are researched as part of our normal review of the estimates to detect reporting errors. This research includes, but is not restricted to, conversations with companies in our survey, a review of publicly available press releases from both companies and industry associations, and a review of other economic indicators.

This quarter, the third quarter 2020 value of a kind of business was considered to be out of the ordinary if it was found to be statistically untypical (as indicated by the appropriate t-statistic having a magnitude larger than a “standard” critical value) and independent sources indicated an impact.

### **Additional Information**

#### **Are there additional Census Bureau resources available on the COVID-19 Pandemic?**

Yes. The Census Bureau has created a [COVID-19 reference page](#) which includes links to relevant Census data sources.

Source: U. S. Census Bureau  
Economic Indicators Division

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